PROPOSAL EVALUATION

Proposition 84 Integrated Regional Water Management (IRWM) Grant Program

Implementation Grant, Round 2, 2013

Applicant	San Benito County Water District	**Amount Requested**	$ 7,569,000
Proposal Title	Pajaro River Watershed IRWM Implementation Proposal	**Total Proposal Cost**	$ 40,499,601

PROJECT SUMMARY

Proposal includes five projects: (1) Hollister Urban Area Water Project, (2) Critical Water Supply Improvements for Pajaro, (3) Increased Recycled Water Storage Project, (4) Pajaro Ag Water Quality and Aquifer Enhancement Project and (5) Grant Administration.

PROPOSAL SCORE

Criteria	Score/ Max. Possible	Criteria	Score/ Max. Possible
Work Plan	12/15	Technical Justification	6/10
Budget	3/5		
Schedule	5/5	Benefits and Cost Analysis	15/30
Monitoring, Assessment, and Performance Measures	5/5	Program Preferences	10/10
		Total Score (max. possible = 80)	**56**

EVALUATION SUMMARY

WORK PLAN

The criterion is fully addressed but is not supported by thorough documentation or sufficient rationale. The work plan contains an introduction that details four goals, which consist of water supply, water quality, flood management and environmental protection/enhancement, but only includes objectives for water supply and water quality goals. Thus, it is unclear why the flood management and environmental protection/enhancement goals are included. A tabulated overview of each project, with an abstract and status, is provided. Various maps are incorporated, including the relative project locations. The aquifer recharge aspect of project 4 does not show adequate detail or completeness. For example, the project does not provide any specific recharge sites, or potential sites, where the project will be carried out. All five proposed projects will be operational as standalone projects and are not a part of any multi-phased effort. The projects are consistent with the Basin Plan.

BUDGET

Budgets for more than half of the projects in the proposal possess detailed cost information but not all the costs appear reasonable or supporting documentation is lacking for a majority of the budget categories. For example, despite being counted as cost share, the construction contingency expense for Project 3 is $1,677,200 or 49% of total construction costs. This seems very high considering the construction costs total only $3,412,000. In addition, the non-state fund source for Project 1 is made up of a property tax and utility rate increases. Funding from these types of sources is uncertain.

SCHEDULE

The schedule criterion is fully addressed and supported by thorough and well-presented documentation and logical rationale. The project schedules are consistent with the work plan and budget, are reasonable, and demonstrate a readiness to begin construction or implementation of at least one project of the proposal no later than October 2014; all other projects demonstrate a readiness to begin construction or implementation no later than October 2016.

MONITORING, ASSESSMENT, AND PERFORMANCE MEASURES

The criterion is fully addressed and supported by thorough and well-presented documentation and logical rationale. Appropriate monitoring targets possess a quantifiable measure to gauge project performance. All the listed measurement tools will effectively verify project performance and progress. Furthermore, it is feasible to meet targets within the life of the projects listed.

TECHNICAL JUSTIFICATION

The Proposal appears to be technically justified to achieve the benefits claimed but lacks documentation that demonstrates the technical adequacy of the project and physical benefits are not well described. The projects, as a whole, benefit the amount of water supply produced, recycled, and/or stored for recharge; however project 4 does not fully justify the tasks. For example, the applicant does not thoroughly detail the amount of water quality improvement and does not describe the two recharge basin characteristics or a viable location to ensure the physical benefits that are claimed. Also, the water supply benefit states water savings “up to 400 AFY”. It is unclear what is being measured to determine the benefits (e.g., 10% improvement in conservation) of the dialog, incentives, and outreach that comprise project 4. In addition, for project 2 the applicant claims the full physical benefits of the new and existing tanks despite uncertainty of a secured source of funding for the rehabilitation and repair of the existing tank.

BENEFITS AND COSTS ANALYSIS

Collectively the Proposal is likely to provide a medium level of benefits in relationship to cost, but the quality of the analysis or clear and complete documentation is lacking. This application would provide a new potable water tank, improve water quality by blending, and enable additional recycled water by use of new storage and pumps, and conservation. Project 1 accounts for most of the proposal benefits and costs. Some benefits are based on avoided salinity costs that appear to be large relative to other known studies. Some avoided project costs also appear to overstate benefits; the alternate agricultural water supply would not be needed if the wastewater were treated with reverse osmosis, and the avoided cost of supplies is based on the difference between with and without-project contract amounts, not delivered supplies. Some conveyance costs required to achieve the benefits may not be included. This may be the best project to overcome regional water supply and quality problems, but it is not clear from the analysis provided.

For Project 2, important information regarding the cost of rehabilitating the existing tank is not displayed. For Project 3, quantified benefits should perhaps be based on benefits of reduced groundwater pumping rather than land fallow. The benefits based on land fallow should count net, not gross crop revenues. For Project 4, the expected physical benefits might be better documented.

PROGRAM PREFERENCES

The applicant claims that six program preferences and four statewide priorities will be met with project implementation. The applicant demonstrates high degree of certainty and adequate documentation for the 10 preferences claimed: (1) Include regional projects or programs; (2) Effectively integrate water management programs; (3) Effectively resolve significant water-related conflicts within or between regions; (4) Contribute to attainment of one or more of the objectives of the CALFED Bay-Delta Program; (5) Address critical water supply or water quality needs of disadvantaged communities within the region; (6) Effectively integrate water management with land use planning; (7) Drought Preparedness; (8) Use and Reuse Water More Efficiently; (9) Protect Surface Water and Ground Quality; and (10) Ensure Equitable Distribution of Benefits.